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NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

Van TB Tran

THIS LEASE AGREEMENT is made this

additional wells except as expressly provided herein.

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Single

PAID UP OIL AND GAS LEASE

(No Surface Use)

. 2008, by and between

day of August

Trail Holington

TARRANT COUNTY, TEXAS, ACCORDING TO THAT CERTAIN PLAT RECORDED NOULUME 388-R, PAGE 4 OF THE PLAT RECORDS OF TARRANT COUNTY, TEXAS. The County of Tarrant, State of TEXAS, containing 9 gross acres, more or less (including any interests therein which Lessor may hereafter acquire the eversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbo outstances produced in association therewith (including geophysical/selsmic operations). The term 'gas' as used herein includes helium, carbon dioxide and otherwith discontaining produces of the produced in association therewith fine the produced in association therewith (including geophysical/selsmic operations). The term 'gas' as used herein includes helium, carbon dioxide and otherwith for the term of the term 'gas' as used herein includes helium, carbon dioxide and otherwith for the term of the land so covered. For the purpose of determining the amount of any shut-in royalities hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less. 2. This lease, which is a 'paid-up' lease requiring no rentals, shall be in force for a primary term of years and the value of the produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbor eparated at Lessee's separator facilities, the royality shall be 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	· 106 ACRES OF LAND, MO	ORE OR LESS, BEING L	_OT(S)	<u> </u>	, BLOCK	_ <u></u>
TARRANT COUNTY, TEXAS, ACCORDING TO THAT CERTAIN PLAT RECORDE NOUNTED THE PLAT RECORDS OF TARRANT COUNTY, TEXAS. The County of Tarrant, State of TEXAS, containing	DUT OF THE Valle TO	Park		ADDITION, AN	ADDITION TO	THE CITY O
N VOLUME	FORT WORTH	TARRAN	T COUNTY, TEXAS,	ACCORDING TO THAT	CERTAIN PLAT	RECORDE
eversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbo ubstances produced in association therewith (including geophysical/selsmic operations). The term 'gas' as used herein includes helium, carbon dioxide and othe ommercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of and now or hereafter owned by Lesser which are contiguous or adjacent to the above-described leased premises, and, in consideration of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less. 2. This lease, which is a 'paid-up' lease requiring no rentals, shall be in force for a primary term of so long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is therefore and oil, gas and other substances produced and saved hereunder shall be paid by Lesser to Lessor as follows: (a) For oil and other liquid hydrocarbon eparated at Lessee's separator facilities, the royalty shall be the production of similar grade and gravity; (b) for gas (including casing head gas) and all other substances covered hereby, the royalty shall be required and market price then prevailing in the same field (or if there is no such price then prevailing in the same field to which there is such a save and market price paid for production of similar grade and gravity; (b) for gas (including casing head gas) and all other substances covered hereby, the royalty shall be substance, or other excise taxes and the costs incurred by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and incored by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided t	N VOLUME 388-R		OF THE PLA	T RECORDS OF TARRA	NT COUNTY, T	EXAS.
intervise maintained in effect pursuant to the provisions hereof. 3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbon eparated at Lessee's separator facilities, the royalty shall be with the following facilities, provided that Lessee shall have the continuing right to purchase such production are wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production are wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided the essee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is such a prevailing price) pursuant to comparable purchase contracts entered into or such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into or such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into or such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into or such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into or such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into or such	eversion, prescription or otherwise), for the ubstances produced in association there ommercial gases, as well as hydrocarbon and now or hereafter owned by Lessor white essor agrees to execute at Lessee's requent f determining the amount of any shut-in roy	e purpose of exploring for, de- with (including geophysical/sel gases. In addition to the abov ich are contiguous or adjacent ist any additional or supplement valties hereunder, the number of	veloping, producing and ma ismic operations). The te- ve-described leased premisi- to the above-described leas- tal instruments for a more of f gross acres above specifie	arketing oil and gas, along with rm 'gas' as used herein includes, this lease also covers accretion sed premises, and, in considerall ampiete or accurate description of ed shall be deemed correct, whether	all hydrocarbon and es hellum, carbon o ons and any small s on of the aforement of the land so covered	non hydrocarbo dioxide and othe trips or parcels o oned cash bonus . For the purpos
e deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells are shut-in or production	therwise maintained in effect pursuant to the 30. Royaltles on oil, gas and other subsparated at Lessee's separator facilities, the sesor at the wellhead or to Lessor's creditive wellhead market price then prevailling in rewailing price) for production of similar roduction, severance, or other excise taxes essee shall have the continuing right to puose such price then prevailing in the same five same or nearest preceding date as the core wells on the leased premises or lands the walling on hydraulic fracture stimulation,	the provisions hereof. bstances produced and saved the royalty shall be at the oil purchaser's transport in the same field (or if there is grade and gravity; (b) for gates and the costs incurred by Leitrchase such production at the field, then in the nearest field in date on which Lessee commen pooled therewith are capable of but such well or wells are either	hereunder shall be pald by tation facilities, provided that no such price then prevailing (including casing head realized by Lessee from issee in delivering, processionevalling wellhead market public there is such a prevailing to the production of either production of the production them.	Lessee to Lessor as follows: (a %) of such production it Lessee shall have the continuir ng in the same field, then in the gas) and all other substances the sale thereof, less a proporting or otherwise marketing such price paid for production of similariling price) pursuant to compara er; and (c) if at the end of the prints or other substances covered he efrom is not being sold by Lesse	lands pooled therew) For oil and other lid , to be delivered at I g right to purchase s nearest field in whice covered hereby, the ionate part of ad w jas or other substan r quality in the same ble purchase contract nary term or any time reby in paying quant e, such well or wells	with or this lease it audd hydrocarbon Lesse's option to there is such there is such there is such the coyalty shall be alorem taxes an ces, provided the fleid (or if there is entered into o thereafter one coulties or such well shall nevertheles
 All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in <u>at lessor's address above</u> or its successors, which shall 	e Lessor's depository agent for receiving praft and such payments or tenders to Less ddress known to Lessee shall constitute prayment hereunder, Lessor shall, at Lessee 5. Except as provided for in Paragrap remises or lands pooled therewith, or if a ursuant to the provisions of Paragraph 6 evertheless remain in force if Lessee common the leased premises or lands pooled their end of the primary term, or at any time perations reasonably calculated to obtain contents.	ayments regardless of changes sor or to the depository by depo- roper payment. If the depositor it's request, deliver to Lessee a position of a or the solion of any governa mences operations for reworkin rewith within 90 days after come the thereafter, this lease is not of the sor to the solion of any governa mences operations for reworkin thereafter, this lease is not of the solion	in the ownership of said lar sait in the US Malls in a star ry should liquidate or be suc proper recordable instrumer reli which is incapable of pro- r paying quantities) permainental authority, then in the rig an existing well or for drill pletion of operations on suc therwise being maintained.	nd. All payments or tenders may mped envelope addressed to the cceeded by another institution, or traming another institution as doucing in paying quantities (here nently ceases from any cause, is event this lease is not otherwilling an additional well or for other that of the country of th	be made in currency, depository or to the for any reason fall of epository agent to recipository agent to recipository agent to recipinafter called "dry honcluding a revision of see being maintaine revise obtaining or reciping of a ged in drilling, rewo	or by check or b Lessor at the lat- properties to accep- selve payments. ole") on the lease of unit boundaried in force it sha storing production. If a rking or any other

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or a horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barret, based on 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in facilities or equivalent testing equipment; and the term "horizontal is completion" means an oil well in which the horizontal component of the gross completion interval in facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in facilities or equivalent testing equipment; and the term "horizo

- 7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

 B. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the
- rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalities hereunder, Lessee may pay or tender such shut-in royalities to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalities hereunder, Lessee may pay or tender such shut-in royalities to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the fransferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

 9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released.
- If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shul-in royalites shall be proportionately reduced
- It Lessee releases at or an undivided interest in less than all or the area covered herepy, Lessee's obligation to pay or tender shull-in royalities shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

 10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire teased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial limber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures,
- now on the leased premises or such other lands, and to commercial limber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

 11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of walls, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not be minimate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied coverages of this lease when drilling production or other operations are so prevented relayed or interrupted.
- Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

 12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offer, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to
- purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

 13. No illigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee falls to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfelted or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.
- 14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royally or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

 15. Lessor hereby warrants and agrees to defend it!le conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, and the survive any strength of the subsurface will be subsurface to the rights of the party to
- mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until
- Lessee has been furnished satisfactory evidence that such claim has been resolved.

 16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other
- operations.

 17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

 DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lesson may negotiate with any other lessor/foil and as owners. which Lessee has or may negotiate with any other lessors/oil and gas owners.

LESSOR (WHETHER ONE OR MORE)	ot this lease has been executed by all parties hereinabove named as Lessor.
By: Van TB Tran	
By: Van TB Tran	Ву:
STATE OF FORT TEXAS	nowLedgment day of August 2008.
MARIA MUNOZ PADILLA Norwy Public, State of Texas Commission Expires October 05, 2011	Notary Fublic, State of Frxi. S Notary's name (printed): Notary's commission expires:
STATE OF COUNTY OF This Instrument was acknowledged before me on the by:	day of, 2008,



DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.

\$20.00

Filed For Registration: 08/12/2008 09:04 AM
Instrument #: D208314177
LSE 3 PGS

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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